



**MINUTES
CITY COUNCIL REGULAR MEETING
December 1, 2020**

CALL TO ORDER

The meeting was called to order at 6:30 pm.

Due to the COVID-19 health pandemic, the Long Lake City Council attended this meeting telephonically pursuant to Minn. Stat. 13D.021.

Present: Mayor: Charlie Miner; Council: Tom Skjaret, Jahn Dyvik, Michelle Jerde, and Deirdre Kvale

Staff Present: City Administrator: Scott Weske (in person); Fire Chief: James Van Eyll (telephonically); and City Clerk: Jeanette Moeller (in person)

Absent: None

PLEDGE OF ALLEGIANCE

MAYOR'S COMMENTS – LONG LAKE NEWS, MEETING REVIEW AND UPDATES

Mayor Miner indicated that he hoped everyone had a nice Thanksgiving even though it was probably different than in years past. He commented that the City should start looking more holiday-like in the near future as Public Works begins decorating and adding lighting in the downtown area, and noted that the Orono Lions Club had donated and hung some holiday lighting in the Nelson Lakeside Park area.

In a work session prior to the regular meeting, the Council discussed the Long Lake Fire Relief Association pension benefit level which will be addressed later on tonight's agenda.

APPROVE AGENDA

A motion was made by Dyvik, seconded by Jerde, to approve the agenda as presented. Ayes: all by roll call.

CONSENT AGENDA

- A. Approve Vendor Claims and Payroll
- B. Adopt Resolution No. 2020-42 Approving a Salary Step Increase of Finance/Utility Billing Officer Amanda Nowezki's Salary from Step 2 to Step 3 of the Salary Pay Plan Due to Having a Satisfactory Performance Review
- C. Adopt Resolution No. 2020-43 Accepting the Donation of \$1,000 from Daniel and Martha Cummings for a Thermal Imaging Camera
- D. Adopt Resolution No. 2020-44 Approving the Issuance (Renewal) of 2021 Tobacco Licenses
- E. Adopt Resolution No. 2020-45 Approving the Issuance of 2021 Liquor Licenses

A motion was made by Skjaret, seconded by Jerde, to approve the Consent Agenda as presented.

Council member Dyvik asked how many tobacco licenses had been issued in the City.

City Administrator Weske replied that the City has three tobacco licenses.

Council member Dyvik stated that he recently read about Maple Plain approving a tobacco ordinance so they could regulate rather than having the County step in. He asked if the City may want to consider doing something similar.

City Administrator Weske noted that he believes the City has already adopted the 21 and older rule.

Council member Skjaret noted that he thought that had not passed because the Council wanted to wait for the State-wide ordinance, which he believes is in place now.

City Clerk Moeller clarified that the City has existing tobacco regulations within the City Code of Ordinances just like it does for alcohol. She added that City staff will need to review the tobacco code to see if anything needs to be revised.

Council member Skjaret commended Amanda Nowezki for a job well done this past year.

Ayes: all by roll call.

OPEN CORRESPONDENCE

No one was in attendance to address the City Council during Open Correspondence.

BUSINESS ITEMS

Public Hearing: Consider Adoption of Ordinance Amending the City's Residential Sewer Billing Policy

City Administrator Weske provided an overview of the past discussion and recommendations regarding the City's residential sewer billing policy. He shared examples of different actual utility bill scenarios under the current policy and highlighted how changing the practice of charging residential sewer based on first quarter use only would impact the utility bill scenarios. He reported that the sewer fund for 2020 is anticipated to lose \$175,000 and the amount is estimated to be higher in 2021. He stated that the City is trying to come up with a fair and equitable way to capture some revenues based on actual usage and not averages. He pointed out that Long Lake has one of the most inexpensive sewer billings in the area, and referenced Council member meeting packet materials which included rate structures for the neighboring cities of Orono and Medina.

Council member Dyvik inquired how residents could set up a separate meter for their irrigation.

Weske noted that there are already 28 active accounts that already have irrigation meters and explained that from their main service line, they can separate off prior to their first meter to install an irrigation system that meters outside usage only.

Mayor Miner mentioned that there was information included in the packet that Public Works would be purchasing meters during the first part of 2021 that will be available to residents at cost. He asked about the price for the meters.

Weske gave a rough estimate of about \$260 for a 5/8" meter and \$406 for a 1" meter. He added that residents will also need a plumbing permit for meter installation which is anticipated to cost between \$28 and \$50 based upon job value, and there may be additional costs due to hiring a plumber.

Council member Dyvik questioned if the installation would be inspected regardless of whether people used a plumber or not.

Public Works Director Diercks confirmed that the inspection would be conducted by the City's Public Works staff.

Mayor Miner opened the public hearing at 6:49 pm.

Mike Bash, 1680 Bollum Lane, commended Finance/Utility Officer Amanda Nowezki for their recent conversation where she did a really good job of explaining the matter. He stated that his background is in utilities and he understands that the City is trying to come up with a fair and equitable way for people to pay for sewer service. He noted that his concern is that the City, in trying to solve a problem created by a small number of people, is essentially forcing everyone else to pay more even though they are not causing the problem. He commented that the costs outlined by City Administrator Weske could add up and be quite expensive for residents. He reiterated that he feels the wrong group of people are being asked to pay more and that this group is not really contributing anymore to the sewage which does not seem fair or equitable. He asked if the City could make a standard charge where someone could opt into a minimum billing for something like 15,000 gallons per quarter. That way they would be guaranteed a minimum charge so even the people that are not here in the winter months will pay the minimum, but it will not charge anybody for watering their yards because that does not impact the sewer system.

Weske noted that he had forwarded all written correspondence that the City received for public hearing comment to the Council. He recalled that in 2018 the City had adopted an increase in the sewer base rate which had ultimately been reduced because it was not supported, and the communication the City received at the time was that people wanted to be charged for what they actually used and not have a large base rate.

Mr. Bash stated that when the Council tried to create a higher base rate, there was push back which is why he suggested an opt-in option to avoid having to pay for all the water that is going on his grass that has nothing to do with sewer. He indicated that he would opt into a base charge and then wouldn't have to worry about putting in a special meter or pay the extra hundreds of dollars for watering that is not going down the drain.

Council member Kvale asked for clarification on Mr. Bash's suggestion and asked what would happen in his example if someone deviated over the minimum by a large amount.

Mr. Bash replied that if he, for example, opted into 15,000 gallons and used 60,000 gallons during the summer months, the assumption would be that all that extra water is going on his yard not down the drain. He stated that he would pay for the water, but would not be paying extra or sewer because that water is not going down the drain.

Weske added that the problem the City is running into is that nobody can tell how much water is being contributed to the sewer system through groundwater infiltration as well. The only entity that can tell how much is being contributed to the sewer is Metropolitan Council because they meter it. He shared the example of someone saying that they only use 5,000 gallons, but their service lines could be in need of repair and they could be contributing 25,000 gallons/quarter in groundwater.

Mr. Bash stated that the groundwater problem has nothing to do with what his water bill is.

Weske responded that the groundwater problem is related because it is an expense to Metropolitan Council and to the City. To cost of treating gallons being contributed on a large basis could be divided evenly among the residents, but nobody will want that.

Mr. Bash reiterated that how much water he buys, as a resident, has nothing to do with how much groundwater the City is dealing with. He stated that he feels the proposed solution is forcing him,

who lives here 12 months of the year, to pay more money by either buying the meter and paying a plumber to install it; or not doing that, and when he waters his yard his sewer bill will go up. He indicated that he is trying to solve the problem of having costs shifted to people who are not contributing to the billing problem of low usage in the first quarter set as their year round average.

Dan DeMuth, 1564 Stoneridge Circle, asked if the program was all about accountability for water in the City and if people don't use that much water, then they won't do this program.

Weske clarified that the issue is that the City's sewer fund does not have high enough rates to cover its debt and operation. He explained that the debt is based on repairing of roads and utility lines under the street, and on the operation side, 70% of the budget is going to Metropolitan Council because all of the City's sewer flow is treated at their facilities. Metropolitan Council calculates City sewer flow usage and charges it back to the City. The rates charged to the City are based on how much the City contributes, as a whole, to the Metropolitan Council system. He gave the example of the City using 116 million gallons that are treated by Metropolitan Council; however, the City has only pumped 55 million gallons from the water tower which indicates there is a problem in the system. He stated that the only thing the City can physically meter now is water usage which can be tied together by a water meter for domestic and a water meter for irrigation.

Mr. DeMuth stated that the beauty of the City is they are giving the option to people to opt in and get the second meter if they would like. He pointed out that people don't have to opt in and get the second meter.

Weske indicated he would guess that 80-90% of the residents may not even notice much of a difference. He added that he thinks where they residents will see it the most is in situations where there is a leak in their house, such as a toilet that runs overnight or related to the frequency their water softener regenerates, which would contribute greatly to their sewer bill.

Mr. Bash stated that he feels the challenge is that everyone uses more water during the summer months for watering their lawns, and he doesn't feel that watering his lawn should raise his sewer bill.

Weske advised that this would be a reason to put in an irrigation meter.

Mr. Bash stated that even though he is not the problem, because he is living here 12 months out of the year, he is being asked to go spend around \$500 on a meter installation to avoid this.

Weske noted that there are things outside of irrigation that can cause problems when people are not paying one for one based on actual usage, such as college kids coming home for the summer which increases water usage.

Brian Kelly, 1573 Stoneridge Circle, commented that he doesn't fully understand Mr. Bash's concern. He noted that he thinks it is great that the residents will have an option to put in a water meter and have a two-meter system. He stated that he agrees with Mr. Bash that it is a bummer that they have to pay a bunch of money to do it, but at the end of the day he feels doing it this way is the fair and equitable way because people will pay for what they actually use. He added that he feels the proposed solution is a great one and he supports it.

There being no additional public comment, Mayor Miner closed the public hearing at 7:08 pm.

Public Works Director Diercks thanked the residents for their input. Responding to Mr. Bash's comments, Diercks noted there would be some money that will need to be spent for those who wish

to put in an extra meter, but he is confident doing so will pay for itself and even eventually save the residents money.

Council member Dyvik stated that this is a challenging problem to solve and he understands Mr. Bash's sentiment that he is being burdened by having to put an irrigation meter system in to avoid the extra sewer charges. He also recalled that the Council had tried to raise the sewer base rate in the past and it was not received well. He noted that while it is unfortunate that people would have to buy an extra meter, he agreed with Public Works Director Diercks that doing so will end up saving people money in the long run.

Mayor Miner indicated that he does not think there is a perfect solution in this situation. The City has a sewer fund deficit of \$175,000 and the deficit has grown, so he is in support of trying this method to see if it will reduce the deficit.

Council member Skjaret noted that the one for one usage proposal is probably the fairest solution. He stated that currently the City is making up some of the extra money needed with the tax base which is the most unfair way to pay for this because property tax values are varied and the higher property values are paying more than their fair share to support this fund. He emphasized that the most important part of the situation is that if the City doesn't demonstrate to the State that it is taking steps to remedy this fund, they will come in and take the fund over setting new rates, and residents will really not like what they will do. He commented that the proposed sewer charge policy change would be taking a small step to show that the City is dealing with the issue and the feedback received from the community has been very clear that they wanted to pay for what they used rather than to have a flat rate.

A motion was made by Skjaret, seconded by Dyvik, to adopt Ordinance No. 2020-06 amending Chapter 36 Utilities, Article 3, Subd. 4, Rates and Charges to the City Code of Ordinances. Ayes: all by roll call.

Public Meeting to Discuss Proposed 2021 Budget and Levy

Weske gave a presentation of the proposed 2021 final budget and levy. He noted that the final budget and levy adoption must occur at the December 15, 2020 Council meeting.

Council and staff discussed efforts to maintain a level City tax rate, the impact of tax capacity changes, City employee salary adjustments, and anticipating continued COVID-19 related expenses.

Mayor Miner asked if there was anyone present from the public that would like to make comments on the proposed 2021 budget and levy. No comments were received.

Fire Chief Van Eyll noted that the COVID-19 related expenses up through November were covered by CARES Act funds allocated to the City, however, there will still be COVID-19 related expenses coming that are not included in the budget. He shared examples such as surface cleaning that happens on a daily basis at the Fire Department, and additional meetings that will be ongoing for staff.

Council member Kvale expressed concern that the City may be over-taxing people and making things tough on people because of the pandemic. She stated that she doesn't think this is the year to give salary increases and suggested that the City be more conservative with its money right now. She noted that she feels COVID-19 related expenses are necessary and she would like to make sure enough is budgeted for them.

Van Eyll indicated that he would expect there to be considerable expenses over the next four to six months related to COVID-19.

Mayor Miner sought details on the information Weske had received from the County that property values have dropped a bit.

City Administrator Weske confirmed that recent information received from the County documents that overall the City's tax capacity has dropped a bit.

Mayor Miner shared that he had come across a document from the Hennepin County Assessor's Office with a report that he believes was completed in March or April that highlighted Long Lake as one of three Lake Minnetonka area cities where residential property values increased.

Council member Dyvik observed that he likes that about 70% of the budgeted surplus as proposed will be allocated to the Pavement Management Fund and 30% for operations.

Presentation by the Long Lake Fire Relief Association Requesting Consideration of Fire Pension Benefit Level Change

Van Eyll reviewed background information on the Long Lake Fire Relief Association's pension benefit level request and explained that they manage the pension fund for the firefighters with the assistance of the State Board of Investment (SBI). He gave an overview of past City actions regarding fire pension benefit levels and explained that the Fire Relief Association Board of Trustees is looking for a 22.449% increase which would bring the pension benefit level to \$6,000/year of service.

Kelly Shaughnessy, representing the Long Lake Fire Relief Association, noted that their rate of return is currently up about 15%.

A motion was made by Skjaret, seconded by Jerde, to support a pension increase benefit for the Long Lake Fire Department Relief Association to \$6,000/year of service. Ayes: all by roll call.

Van Eyll thanked the Council for their support of the Fire Department and noted that while this is a large increase, it is well deserved for the service they provide to the City.

Review of Responses to Survey of Affected Glenmoor Lane Residents Regarding On Street Parking

City Clerk Moeller explained that staff is looking for direction from the Council on measures to address non-residential parking on Glenmoor Lane. She noted that they had received 15 responses to survey letters that were sent out to impacted Glenmoor Lane residents. She reviewed the survey results: five favored leaving it "as is"; two would like a no parking from "here to this point" solution; five favored a "permit parking only" solution; and three returned the survey with comments but did not select an option. She confirmed that there was no clear majority opinion and all of the options have potential pitfalls. She added that any solution would likely be part of an overall parking ordinance overhaul.

Council member Skjaret noted that the community partners, such as the Orono Lions Club, have done their best to post temporary no parking signs during Birch's events; however, there is nothing that can be done if people actually choose to park there because there isn't an ordinance that allows for enforcement. He stated that this may require an ordinance change so these signs would be enforceable and fines can be imposed if signage is posted and people park there. He added that on the flip side, it is also hard to say no to parking because Glenmoor Lane is a public street, and the situation may not have a perfect solution.

Moeller confirmed that she has gathered examples from other communities for how they post and enforce special event parking signage.

Council member Skjaret recalled that he did not see this parking situation as a problem with the restaurant that was in the location prior to Birch's. He questioned whether they may have had more parking spaces.

Moeller responded that she wasn't sure if they had more parking spaces, but agreed that the City did not have this issue when Billy's Lighthouse was there. She stated that the issue with Birch's is she believes they have more seating and host more bands and other events that draw a higher volume of customers.

Council member Skjaret stated that because of COVID-19 restrictions, the City should have a little bit of time to come up with a better plan before the restrictions are lifted.

Council member Dyvik indicated that he agreed there is some time to deal with this, but at this moment he is not in favor of permit parking. He noted that he believes signage will work to a certain extent, even if it is not technically enforceable. He mentioned that he would be interested in knowing when survey respondents had moved into their homes and whether it was before or after Birch's opened.

Moeller replied that she did not think staff may have access to that information.

Matt Anderson, 324 Glenmoor Lane, agreed that as the survey responses showed there may not be one magic bullet to address this situation. He had moved to his residence in May of 2014 before Birch's opened and noted that he has one of the larger front yards along Glenmoor Lane, so he experiences more traffic parking there. He confirmed that because of COVID-19, they have not seen as much of an issue this past summer, but added that in normal years it is a consistent issue in the spring and summer months. He explained that because there are no curbs along Glenmoor Lane, he frequently has people parking in or on his yard which means he is constantly having to re-sod and re-seed the area. He stated that he doesn't know what the perfect solution is, but feels that the City should do something to address the situation.

Mayor Miner stated that he agrees that the City needs the parking ordinance solidified so the City can put in temporary no parking signs in various areas throughout the City.

Moeller stated that staff will continue to brainstorm possible solutions and noted that the special events parking situation can be better addressed through revisions to parking code.

Mr. Anderson shared an observation that with people parking on both sides of the street and other traffic traveling through, children playing or riding bicycles, it creates a dangerous situation.

OTHER BUSINESS

Park and Trail Usage - Council member Skjaret mentioned that he has noticed the City's parks and trails have been very busy but are being well maintained.

ADJOURN

Hearing no objection, Mayor Miner adjourned the meeting by general consent at 8:17 pm.

Respectfully submitted,

Scott Weske
City Administrator